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5 January 1981

81 1056

MEMORANDUM FOR : Harry E. Fitzwater
Director of Personnel
Policy, Planning, and Management

25X1 THROUGH: [REDACTED]
Deputy Director for Policy and Evaluation

25X1 FROM: [REDACTED]
Chief, Personnel Management Evaluation Staff

SUBJECT: Performance Appraisal System -
Preliminary Results

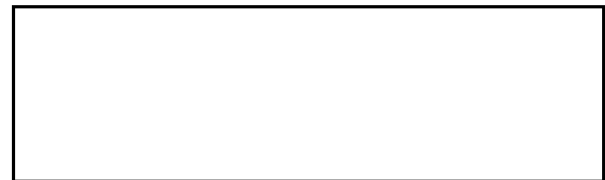
Attached is a report summarizing the preliminary results of the ongoing evaluation of performance appraisal in the Agency. It cannot be overemphasized that these findings represent early returns constituting less than half of the data expected to be used for developing the final report. Consequently, firm conclusions are yet to be drawn. There also are many participants remaining to be polled in the performance appraisal survey currently in progress so the report information should not be disseminated. Doubtless, some of the reported results will be confirmed when the evaluation is concluded, but we believe it prudent not to take action on the basis of this preliminary report at this time.

Attachment



25X1

This document may be downgraded when
separated from classified attachment. 25X1



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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Performance Appraisal System - Preliminary Results

FROM:

C/PMES/OPPPM
1006 Ames

EXTENSION

NO.

DATE

5 January 1981

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. DD/PPPM/P&E
1006 Ames

1/5/81

PBB

2.

3. EA/PPPM
5E58 HQS

5 JAN 1981

PML

4.

5. DD/PPPM
5E58 HQS

5 JAN 1981

M

6.

7. D/PPPM
5E58 HQS

8.

9.

10.

11.

12.

13.

14.

15.

Bob's preliminary report on the PAR is a good one. From analyzing the data acquired to date, there are six major points: the average performance level has not been lowered; perception is that performance ratings may be inflated; the AWP is useful; the EOP is favorably received; more feedback is needed from supervisors; and, as expected, everyone is not satisfied with the PA system.

Following your review, we would like to meet and discuss the report with you. In the meantime, we will study the report further and develop some suggested courses of action to hopefully, improve/refine the system.

Int meeting!

Helen,
Set up an appointment with Pete et al to discuss.

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Preliminary Report
Performance Appraisal Evaluation
December 1980

Introduction

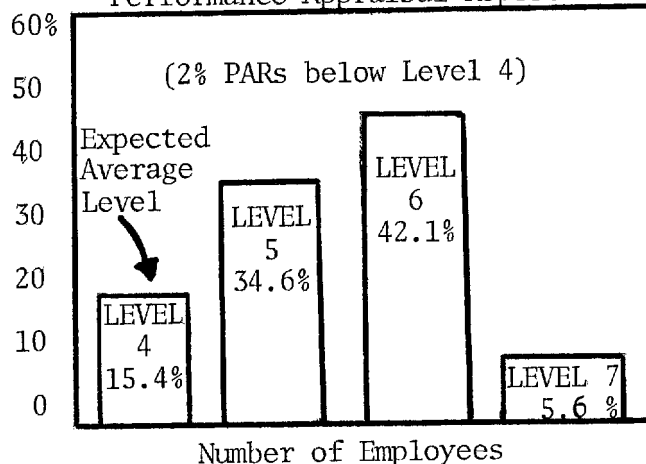
This report provides information regarding the first results of the Performance Appraisal Attitude Survey currently underway. This Survey is an important part of the methodology being employed in evaluating the Agency's new performance appraisal system introduced in October 1979. A 10 percent stratified random sampling of employees at each grade level taken shortly after their evaluation under the new system provides the data base from which this report is drawn. The close proximity in time between the system's application and employee reaction should provide a good reading as to its impact. Data from other sources must still be acquired before a final report is prepared, e.g., the system's usefulness to career boards and panels. The purpose of this report is to indicate the direction of the findings in anticipation that many of the final results will in fact remain substantially unchanged.

I. PAR Rating Levels

During the year following the implementation of the new Performance Appraisal Report (PAR), employee rating levels are comparable to those of its predecessor, the now obsolete Fitness Report. The average rating of a sample of 12,378 Fitness Reports (scale range 1 to 5) reported in Phase II of the FY 79 APP was 3.933. Of the [] PARs submitted through 30 September 1980 the average employee rating stood at 5.336 (scale range 1 to 7). Statistically, there is no significant difference between these two averages. Considering that one of the main purposes of introducing the new PAR was to achieve a lowering of the average performance rating level, the effort thus far has been unsuccessful. (See Table 1 and 2)

25X1

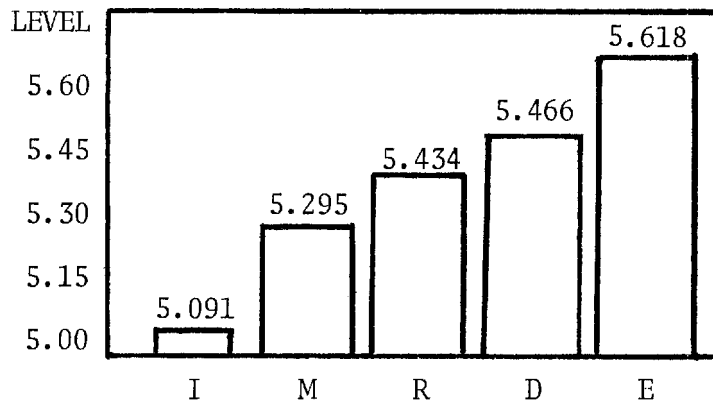
TABLE 1
Employee Rating Levels
Performance Appraisal Report



N= []

Career Service Average Rating Level

Performance Appraisal Report

II. The PAR Survey - The Employees PerspectiveA. Accuracy of Ratings

Employee attitudes on the accuracy of performance ratings are rather contradictory. Nearly 50 percent of the survey respondents believe performance ratings to be accurate while as many as 67 percent feel, to some extent, that such ratings are inflated. About 40 percent believe supervisors give their subordinates lower ratings than they deserve. It is of interest to note that nearly all supervisory respondents (90%) hold the opinion that the typical supervisor gives lenient ratings to subordinates to avoid confrontations. The anxiety frequently experienced by both supervisor and subordinate when engaged in discussions of the latter's job performance might very well be the basic cause for many inflated performance ratings. A growing body of literature tends to support the proposition that as a practical matter normal distributions of performance ratings among employees are impossible to achieve.

B. The Advance Work Plan (AWP)

A majority of respondents believe the AWP to be useful, however, more than half of the respondents had little to do with its preparation; in fact, over 20 percent of the survey participants reported not having an AWP. Employee opinion is divided whether or not the AWP will improve the accuracy of performance appraisal ratings.

C. Evaluation of Potential

To the surprise of some personnelists the Evaluation of Potential (EOP) section of the PAR is being favorably received by employees. Two-thirds of the respondents feel the EOP provides useful feedback information

and nearly three-fourths believe the EOP to be fair and accurate. (It may be, of course, that the favorable reaction stems from the possibility that nearly all respondents were given positive feedback, i.e., with appropriate training and experience they were viewed as being "ready to assume higher level responsibility.")

D. Supervisory Feedback

Most respondents feel their performance ratings are consistent with what the supervisor leads them to believe is their level of day-to-day work performance, but the majority also say the supervisor does not, on a day-to-day basis, indicate how well they are doing. Slightly less than 50 percent are satisfied with the amount of information they receive from their supervisor about their job performance, i.e., they want something more than a good rating level. Nearly all respondents (92%) feel they know what is expected of them on the job, but about 20 percent claim their supervisor doesn't let them know what he or she expects, and are uncertain about their supervisors attitude toward them. The majority (65%) view their supervisor as one who treats all subordinates fairly and who also maintains definite standards of performance. The percentage of respondents who aren't sure how they feel toward their supervisor ranges from 10-20 percent. (Employee attitudes as reflected in answers to specific questions on the survey are positive; however, the large volume of those volunteering written responses question both the calibre of supervision they receive and the ability of their supervisor to make judgments about their job performance.)

E. The PAR and Comparative Evaluation

Some 80 percent of the respondents believe that their performance appraisal rating should determine their comparative evaluation standing. A similar number believe, however, that comparative evaluation panels should use information other than their work performance record to judge their ability to assume higher level responsibilities. Employees also strongly endorse the right of appeal in the event they are dissatisfied with their performance rating and believe the person who determines their rating should be held accountable.

F. Employee Satisfaction With The New PAR

In some respects the "jury" still may be out. Less than half of the respondents are clearly satisfied with the new performance appraisal system and one-third are undecided. While nearly 40 percent think it is an improvement over the former "Fitness Report" the remaining 60 percent either disagree or are undecided. Opinion is divided as to whether a "different performance appraisal system" is preferable.

III. The PAR Survey and Agency SupervisorsA. Survey Facts About Supervisors

- Nearly 40 percent with less than two years with the Agency have not been in the same job since EOD.
- 72 percent of Agency supervisors have been in their current jobs less than 3 years.
- 40 percent at the GS-11 to GS-15 level don't know either their Career Service or its symbol, i.e., M, I, R, D, or E.
- There are significant differences in grade level and age level between male and female supervisors.
- Over 60 percent have had at least 5 years experience as supervisors.
- 40 percent have had no formal briefing or workshop on PAR.
- 60 percent prepare PARs on more than 3 persons.
- 50 percent would rate more than 20 percent of their employees at the highest level.
- Some 15 percent at the GS-13 to GS-15 level would rate over 60 percent of their employees at the highest level.
- Older supervisors are inclined to be more generous in their ratings of subordinates.
- Only those with less than two years service in their current job would rate more than 20 percent of their employees at the lowest levels.
- Supervisors at the lower to mid-grade levels are more harsh in their ratings.
- Females are more harsh than males in their rating tendencies.

B. Supervisors and Performance Appraisal

The majority of supervisors (65%) admit that lenient ratings are given subordinates to avoid confrontation; the longer in the Agency, however, the less likely they are to feel this way. Over one-third of the responding supervisors have moderate to great difficulty with evaluating a subordinates potential; women express experiencing more difficulty than men. Those with

advance degrees tend to feel more competent to judge potential. (The question remains unanswered whether persons with advance degrees tend to feel more competent because of a sense of superiority over others, or whether by virtue of their higher educational achievement they feel better prepared to make such a judgment.) It would appear that the new PAR does not create special difficulties for the supervisor, two-thirds of those responding feel they have sufficient time to evaluate their subordinates. A final note - 43 percent believe their superior has little interest in their skill in evaluating subordinates or don't view it as an important element of their job.

IV. The PAR Survey - Employees' Written Comments

A. Part III of the attitude survey invites participants to write any thoughts or feelings about the new performance appraisal system. Thus far, two-thirds of those surveyed who responded elected to comment. As far as the system itself is concerned, comments run the gamut from those who think it is an improvement, to those who feel the old system is better. Many individuals, however, look at the new system and its chances of being successful, as not limited to the system per se, but rather at the quality of supervision and management. Throughout the Agency many have found the calibre of supervision deficient and express the view that it really doesn't make much difference what kind of performance appraisal system the Agency uses if supervisors are not trained in how to supervise and prepare appraisals. Some respondents express concern about the ability of supervisors to judge employees without bias and without unfair advantage given "the old boy network," while at the same time granting that "It is impossible for anyone to be accurate in appraising another person."

B. The following comments are offered as being representative of those submitted; they are arranged by age.

Over 45 (GS-13 to 15)

- Supervisors should have their appraisal critiqued periodically. (perhaps by OPPPM)
- I think employee comments should be required rather than optional - the tendency is not to comment so as not to be regarded as a troublemaker.
- There is a continuing need for instruction on completion of PARs, especially to older, middle level managers. Unless specifically instructed to rate according to the strict literal meaning of the descriptors, and those descriptors are explained (even though that is done on the PAR forms), there is a strong tendency for those managers to inflate ratings and gild the lily in the commentary section.

- The new system, as the old is only as good as the supervisor's interest and objectivity.
- Suggest that any rater be required to serve on a panel before being allowed to rate a person so that the rater can realize what a vital document a FR or PAR is - virtually all there is to base a judgment on. Many supervisors do not seem to realize this.
- Regardless of system, it is only as good and as fair as the supervisors and Agency supervisors have always ranged from competent professionals of good will, right down through incompetent jerks. Life is like this.
- The system used is not the important element in the rating process. It is the rater and his managers who decide whether the system works or not. A good manager/supervisor will perform effectively under any system which does not make it impossible to do so. A poor manager/supervisor will not be effective with an ideal system if one could be developed. The key is to reward the good supervisor and remove the poor ones, whether that means moving to a new Agency job or to a new position outside the Agency.

Age 35 - 44

- According to Peter Drucker, you cannot evaluate a person's potential - only his performance. When in doubt give them an opportunity for increased responsibility; if they can perform, fine. If not, let them drop back to their optimum work level. We do not seem to have a good record at picking good managers. Perhaps they're looking for the wrong qualifications?
(GS-13 to 15)
- The potential section can have a detrimental effect on morale of people doing a good job but without much chance of moving.
(GS-13 to 15)
- Training in performance appraisal and employee counseling is desperately needed by most managers in this Agency.
(GS-13 to 15)
- You can change the forms all you want, but if you don't change the people, you have the same system.
(GS-13 to 15)
- A system that cannot enforce standards has no standards.
(GS-13 to 15)

- Do away with numeric ratings completely, just have a satisfactory or unsatisfactory rating and use the comments for evaluation.
(GS-09 to 10)
- I realize that there has to be some method for measuring an employee's performance, particularly in large government agencies, but there will always be a problem with the system used. When you are dealing with people and personalities it is impossible to create a system that is fair to all.
(GS-06 and below)
- I feel the new performance appraisal system still does not hold the supervisors accountable for their ratings.
(GS-11 to 12)
- It is my opinion that the PAR and AWP will only work if supervisors have to answer to a review board. The reason I say this, is that the possibility of a review board would make them think twice before they jotted down a few simple and vague statements.
(Wage Board)

Age 25 - 34

- There is also something to be said about the possibility of a worker evaluating his/her rater.
(GS-11 to 12)
- The actual form for the PAR is a joke. It is extremely confusing, the carbons are a mess and the numbering system doesn't seem any more advantageous than the lettering system. Most people are overrated to encourage them in their jobs and usually don't deserve the rating. The numbering system hasn't changed this problem at all.
(GS-07 to 08)

Age Under 25

- I feel that under this new system employees are not always promoted fairly. ... Under this system I think it is more or less a judgment of the supervisor's writing ability.
(GS-06 and below)